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## **Krones plans to pay dividend of €2.20 per share for successful 2023 financial year**

- Today Krones published its Annual Report 2023 and confirmed its preliminary figures.
- At the Annual General Meeting for 2023, the Executive Board and Supervisory Board will propose a dividend of €2.20 per share, an increase of 25.7% on the previous year (2022: €1.75 per share).
- Krones will continue its profitable growth in 2024. For the Group, the Executive Board forecasts revenue growth of 9% to 13% with an improved EBITDA margin of 9.8% to 10.3% and ROCE of 17% to 19%. The forecast figures include the effects of the acquisition of Netstal Maschinen AG, which is still to be finalised.
- Sustainability performance also developed positively in the financial year 2023.

Today Krones published its Annual Report 2023. This also contains the company's non-financial statement in a separate section of the group management report. The steeply rising demand for resource-efficient, low-emission machinery, systems and solutions will contribute significantly to the continuation of Krones' profitable growth course. Alongside digitalisation and service quality, sustainability is a strategic focus for Krones and is the most important driver of innovation and growth.

### **Continued high demand for Krones products in the financial year 2023**

Krones increased revenue by 12.2% in the financial year 2023 compared to 2022, from €4,209.3 million to €4,720.7 million. The company thus exceeded the upgraded growth target of 11% to 13% published in July 2023 (previously: 8% to 11%).

Following extremely strong ordering activity from customers in 2022, order intake continued to develop very well. The contract value of orders amounted to €5,376.6 million in 2023 (previous year: €5,782.8 million). Due to the strong customer demand, the order backlog increased further despite the revenue growth. At €4,122.3 million, it was 18.9% or €655.9 million higher at the end of 2023 than a year earlier (€3,466.4 million).

### **Krones increases EBITDA margin to 9.7% (previous year: 8.9%).**

Krones' profitability improved significantly in 2023 despite increased procurement prices and a shift in the product mix. The company's high flexibility and consistent implementation of the strategic measures contributed significantly here. Krones was also able to compensate for

the higher costs with price increases on its products. Earnings before interest, taxes, depreciation and amortisation (EBITDA) went up by 22.5% year on year, from €373.3 million to €457.3 million. The EBITDA margin improved substantially to 9.7% (previous year: 8.9%). This means that Krones achieved its EBITDA margin target for 2023 of 9% to 10%.

Krones increased earnings before taxes (EBT) by 28.3% in 2023, from €242.1 million to €310.5 million, while the EBT margin rose to 6.6% (previous year: 5.8%). On the bottom line, consolidated net income went up by 20.0% to €224.6 million (previous year: €187.1 million). Earnings per share increased to €7.11 (previous year: €5.92).

### **Very solid financial and capital structure**

Krones generated a positive free cash flow before acquisitions of €13.2 million in 2023. At – €101.3 million, the free cash flow including acquisitions was down on the very high level of the previous year (+ €371.0 million). This was mainly due to the sharp increase in working capital as a result of the high business volume. Return on capital employed (ROCE) improved significantly to 16.3% in 2023 (previous year: 14.1%). The target for 2023 of 15% to 17% has therefore been achieved.

The company's net cash (cash and cash equivalents less bank debt) amounted at €444.7 million at the end of 2023 (previous year: €669.5 million). The equity ratio was 38.3% (previous year: 38.3%). Overall, Krones continues to possess a very robust financial and capital structure.

With the above figures, Krones has confirmed the preliminary figures published on 22 February 2024.

### **Krones reduces greenhouse gas emissions in 2023**

Krones showed a positive trend in the reporting period not only in its key financial figures, but also in its sustainability performance, which the company reports on in the non-financial statement as part of the group management report. The non-financial statement contains all important qualitative and quantitative non-financial information on material sustainability topics.

Operational greenhouse gas emissions (Scope 1 and Scope 2) fell by 9% in 2023 compared to the previous year, despite the higher revenue. Krones has thus already reduced its Scope 1 and Scope 2 emissions by 51% compared to the 2019 baseline. By 2030, Krones aims to achieve a reduction of 80% compared to the base year. The vast majority of Krones' total greenhouse gas emissions are attributable to customers' use of its products. Together with the greenhouse gas emissions from the upstream supply chain, these make up Scope 3 emissions. Krones reduced use-phase greenhouse gas emissions by 10% in 2023 compared to the previous year, and upstream supply chain emissions by 1%. In total, this means that Scope 3 emissions have fallen by 8%. By 2030, Scope 3 emissions are targeted to be 25% lower than in the 2019 base year. In addition to the short-term climate targets up to 2030, the Krones Executive Board

recently decided that Krones will aim for net-zero greenhouse gas emissions across all scopes by 2040. The new Net Zero climate target is currently undergoing validation by the Science Based Targets Initiative (SBTi) and will soon be presented in detail in the update of the company's Climate Transition Plan and in external communication. The remaining sustainability indicators also show predominantly positive performance.

### **Krones plans to increase dividend for 2023 by €0.45 to €2.20 per share**

Krones' long-term dividend policy is to distribute 25% to 30% of consolidated net income to shareholders. For the successful 2024 financial year, the Executive Board and Supervisory Board will propose a dividend of €2.20 per share at the Annual General Meeting on 4 June 2024. This represents an increase of €0.45 per share or 25.7% compared to the previous year (€1.75 per share).

### **Executive Board forecasts continuation of profitable growth in 2024**

Krones made a confident start to the 2024 financial year. The company has an extremely large order backlog and the strong demand for Krones' products and services continues. At the same time, various uncertainties mean that the business environment remains challenging for the company. This includes geopolitical risks in Europe, the Middle East and other parts of the world.

Based on the prevailing macroeconomic outlook and the current expected development of the markets relevant to it, Krones forecasts consolidated revenue growth of 9% to 13% in 2024.

On the basis of increasing revenue, an ongoing disciplined price strategy and continued implementation of the cost optimisation measures, Krones aims to improve profitability again this year compared to 2023. At group level for 2024, the company expects an EBITDA margin of 9.8% to 10.3%.

For the third performance target, return on capital employed (ROCE), Krones aims for an increase this year to between 17% and 19%.

All forecast figures for 2024 include the effects of the acquisition of Netstal Maschinen AG, which is still to be finalised.

Krones has published the Annual Report 2023 online at:

<https://www.krones.com/en/company/investor-relations/krones-group-annual-report-2023.php>

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